



**DEPARTMENT OF VETERANS AFFAIRS**  
**Center for Verification and Evaluation**  
**Washington, DC 20420**

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**White Paper**

**CVE Transformation:**

Over the past two years, the Center for Verification and Evaluation (CVE) has undergone a remarkable transformation. This transformation has occurred throughout the organization and is continuing today. Changes have been dramatic and very beneficial to the Veteran entrepreneur community. A quick review of CVE verification statistical data helps to provide a frame of reference for what has occurred. During FY2012, CVE took an average of 87 days to make an initial determination for firms applying for verification with completed applications. Currently, utilizing FY2014 data, the average time for CVE to render an initial determination is 35 days, a reduction of over 60% in less than two years. Similarly, comparing Requests for Reconsideration (R4R) to reconsider denied applications, the average processing time in FY2012 was 92 days. Current R4R processing averages 19 days for determinations, a 78% reduction in processing time. These performance numbers are well below the guidelines set forth in Code of Federal Regulations (CFR) 38 Part 74 of 60 days for application processing, when practicable.

**Increased Opportunities for Verification:**

CVE has introduced two new processes to increase success and enable Veteran entrepreneurs to avoid denial of their applications. The Pre-Determination findings process allows a Veteran small business owner the opportunity to correct minor deficiencies which would otherwise lead to an application denial. CVE notifies the Veteran of the specific issues and will continue the application process upon correction. If the modifications satisfactorily resolve the issues of concern, an approval letter will be issued. The Pre-Decision Process addresses more complex problems with an application, which cannot be remedied quickly. Again, CVE notifies the Veteran small business owner of these issues in detail and affords the owner the opportunity to withdraw the application to correct these issues and then reapply, thus avoiding the six-month denial penalty.

**Communications with Veterans:**

CVE has greatly expanded its numbers and methods of communicating with Veteran small business owners. CVE continues to update the information provided on the Web site, by expanding its Frequently Asked Questions (FAQ) and Verification Fact Sheets to provide additional information and clarification about the verification process. CVE has expanded the capabilities of its telephone help desk, and added new outgoing calls to assist and guide Veterans at critical steps in the process or to provide individual insights to our process and head off emerging issues. Today, as a general observation, CVE is making more outgoing, proactive calls to Veterans than the numbers of inbound calls and queries it receives. We reach out four months ahead of time to all verified firms in order to remind them of pending expiration, and follow-up with monthly notifications until the firms reapply or expire. CVE has greatly expanded its presence and information flow by means of social media. Through active Twitter, LinkedIn and Facebook accounts with well over 1,500 followers, CVE reaches out with information and daily updates to interested Veterans. CVE's goal is to provide information and assistance to all Veteran small business owners at every stage in the process.

**Verification Counselor Assistance to Applicants:**

The Department of Veterans Affairs (VA) and CVE have established a written cooperative agreement with the Defense Logistics Agency to provide no-cost counseling service and assistance to all Veteran small business owners across the country and in U.S. territories. With this agreement, every business

counselor in each Procurement Technical Assistance Center (PTAC) nationwide will be trained and certified by CVE to inform and assist Veterans in the CVE application process and federal government procurement matters. CVE has already trained and certified over 270 counselors in every state and territory, and is striving to achieve a goal of 400, which would represent all counselors at PTACs. This no-cost benefit is available to all Veteran small business owners today.

#### **Updating the Verification Rules in the Code of Federal Regulations:**

CVE has initiated a process to update and improve the portion of the Code of Federal Regulations which governs the VA verification process. CVE has involved key Veteran stakeholders at every step in this process to gather input and recommendations and to assist in making the new CFR rules synchronize with current common business practices. The proposed rule has been posted and circulated for comments; feedback has been incorporated, and CVE will soon complete the regulatory process for legal reviews and implementation. In jointly working these rule improvements, the Veteran community spoke, and CVE listened to cooperatively make needed improvements.

#### **Preventing Fraud and Protecting the Veteran Advantage:**

CVE recognized the delicate balance between expeditiously verifying Veteran-Owned Small Businesses and preventing illegitimate businesses from gaining contracts improperly. CVE has increased its on-site audits significantly to visit businesses and make sure they continue to meet the verification program core tenets of eligibility, ownership, and control. Through modeling and business intelligence tools and working closely with the VA Office of the Inspector General and contracting offices, CVE seeks to identify and exclude ineligible businesses from taking contracts away from verified businesses, which continue to meet the program requirements. This is a very difficult challenge which CVE has addressed aggressively.

#### **Remaining Challenges:**

This is not to say the CVE transformation has been without issue. The results of an August 2012 General Accounting Office audit indicated the CVE infrastructure was not up to the task of managing an expanded federal-wide verification effort and that upgrades were needed. Accordingly, the VA Office of Information Technology implemented a contractual effort to develop and field the Veterans Enterprise Management System (VEMS), a multi-million dollar replacement of the current CVE case management software. Unfortunately, this development encountered technical challenges resulting in cancellation of the contract. As an interim measure, CVE embarked on an upgrade to the current case management software until a fully modernized system can be fielded. This will be transparent to Veterans and will enable CVE to efficiently manage most tasks effectively.

#### **Summary:**

CVE has made great strides in improving the verification process and service to Veterans. Earlier this month VA leadership recognized CVE's accomplishments and progress over these past two years. The VA Chief of Staff cited and thanked the organization and its personnel for these many improvements. Communication and collaboration with Veterans are open and transparent; assistance programs are expanded and are free for Veterans; and new, more business friendly rules and guidelines are on the way. Fraud prevention measures are in place and have been expanded in numerous areas. Internal training for CVE personnel is continuous and focused on enhancing accuracy and the customer experience. Nevertheless, CVE's leadership will not rest on its laurels, and has pledged to continue to make steady improvements throughout the CVE organization.